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U. S. Department of Agriculture

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THE AGRICULTURAL SITUATION

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ANNOUNCEMENT: Now Station _____ presents the monthly review of farm business conditions over the United States which comes from the United States Department of Agriculture.

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This month's Agricultural Situation Review contains a summary of farm conditions drawn from all parts of the country. The reports reflect various aspects of the hard times through which agriculture is passing.

First of all, they picture drastic retrenchment all along the line, in family living as well as in the farm business. The reports from every section detail the live-at-home program, the economies, the trend back toward a subsistence type of farming. Yet, from all quarters, the reports confirm the story of the migration from town back to the land. So, in spite of all the hardships of farm life under 1932 conditions, agriculture once more demonstrated its capacity to act as an economic shock absorber in time of trouble.

Of course, the immediate source of the trouble is the low prices of farm products and the disparity between them and the prices of goods and services farmers must buy. Universally the cry goes up that debts and taxes represent an intolerable load upon the farm business at present price levels.

The low state of urban demand, even for essential foods, the reports point out, is pointedly shown by recent statistics on carlot movement of vegetables and fruits. These farm products go to consumers' tables without any large addition of processing charges. Yet during the past year carlot shipments of fruits and vegetables were the smallest in 11 years. Part of the decline in carlot shipments, of course, simply meant that the goods were shipped by truck instead of by rail. But that fact didn't account for all the decline. Here are the carlot statistics on shipments of potatoes, the staple vegetable of rich and poor, a crop sold wholly in the domestic market. Cheap, though potatoes were, the carlots of potatoes shipped last year numbered less than 200 thousand, as against 241 thousand in 1931, and 252,000 in 1930.

The statistics issued last month on the year's total crop production confirm the statement, made each month of the past four in these broadcasts, that crop production has held on a fairly even keel. Looking ahead into possibilities for the coming year, we note reports that the acreage of winter wheat now in ground is the smallest since 1923, and its condition was reported on December 1 the poorest

in 70 years. Probably farmers will have to abandon much winter wheat acreage, and the crop next summer is likely to fall below 400 million bushels.

Another look ahead is given by the statistics gathered on the pig crop of the past fall and the prospective pig crop for next spring. The fall pig crop seems to have been about 4 per cent larger than a year ago. The estimates place the coming spring pig crop at about 2 per cent larger than the crop of the spring of 1932.

Well, so much for the general view of the agricultural situation nationally. Now this month's Department of Agriculture report gives a group of dispatches from different States showing how farmers are faring in all sections of the country. We'll pick a few of the significant sentences from some of these State reports. Here we go:

NEW YORK-- York State farmers have at last fallen altogether into the agricultural depression. Milk prices have plunged to way below pre-war levels. Veal and beef cattle (mostly discarded dairy cattle) prices have followed. The low prices of these products and of everything else have brought the level of all New York farm prices down to two-thirds of pre-war. Production hasn't been excessive, so that can't be blamed for the drop in farm prices. Rather, the price declines are tied up with the influences that have caused low purchasing power of consumers and the general industrial and financial stagnation in the United States and foreign countries. As a result of the sharp drop in farm prices, many New York farmers are having difficulty in meeting taxes, interest and principal payments on debts, and finding cash for necessary operating expenses of the farm and family. But adjustments in farm operations to meet the changing times are being made so far as possible. More attention is being given to making the farm a broader source of the family food and fuel supply.

So much for typical conditions in the great dairy and truck and fruit belt of the Northeast. Now moving southward, here's a report from

WEST VIRGINIA--- The past year was marked by more activity in farming among the coal miners and laborers in the oil sections of the mountainous counties. Many small acreages of potatoes, sorghum for syrup, and corn, were raised. While more extensive farmers complain over the low prices, most of them say they have raised adequate grains, general crops, and livestock to enable them to live through the winter without want, and to feed their livestock that will be needed next spring.

The same note of preparation for a hard winter is struck in reports from all States of the Southeast and South Central section. Here are typical ones:

NORTH CAROLINA--- Without favorable credit prospects for 1933, farmers are endeavoring to plant more winter cover and legume crops, looking to the improvement of their soils. Cash crops will be definitely reduced next year.

GEORGIA-- The crops of 1932 were made at the lowest cost in many years. Purchase of supplies and fertilizer was held to a minimum. Georgia farmers are better fortified with home-grown supplies than at this time last year and should be able to cut expenses correspondingly during the coming year. There is little cash for current needs and farmers are doing their utmost to get along on a self-sustaining basis.

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ALABAMA-- The general economic situation is thought to be no worse than a year ago. Farmers again have sufficient feed and feed supplies for another year which they will conserve and supplement by winter and spring growth of the same character. Large volumes of winter legume seeds have been purchased with a view to soil building on a permanent and economic scale. Altogether the farm is in much better condition to go through the winter than is the factory.

Now we'll turn to the North Central States. Some typical reports:

OHIO--- Farmers generally have food and feed for the winter. However they had to market their crops at low prices to raise money to meet debt and tax payments, and in many instances were unable at that to meet the charges. Of course foreclosures and tax sales are on the increase. Farmers are doing their utmost to cut down cash outlay by using less fertilizer, neglecting repairs, and making less use of the tractor and automobile.

IOWA---Huge crops, especially of corn, were made in 1932. The corn yield for the State as a whole, 46 bushels per acre, tied the previous record. Farmers will sell a little corn, feed some to livestock, and hold the larger proportion for better prices. Livestock feeding seems to be about as extensive as last year. However, the financing of farming has been more of an acute problem than in 1931. Some private money was circulated early in the fall for purchases of feeder livestock, but the total amount was small compared with the need of other feeders who, in spite of their adequate feed supplies, have been unable to meet requirements of banks and other credit agencies.

WISCONSIN--Taxes, interest, and other fixed charges continue to weigh very heavily upon farmers. Widespread default on them is inevitable, but encouragement is seen in the fact that rural tax rates are being reduced, according to reports from local tax units.

Now a little further West -- into the Great Plains section. A report from

KANSAS-- Acreage changes in 1932 were from cash to feed crops. The declines in the prices of cash crops and livestock cut down income still further, and delinquencies on mortgages and taxes increased. Poor condition of winter wheat in the Western part of the State, and local hardships of securing water supply after extended drought in the Eastern part contributed to the hardships of the early winter.

Now on into the Southwest where we hear this report from

ARKANSAS -- Under this year's conditions, one would expect a decided lowering of morale. However, farmers who own their own homes and are not too heavily incumbered seem to feel that they are relatively well off as compared to operators and workers in other lines of industry.

Now a report from the Mountain section of the West.

UTAH -- Crop yields were average. Water was plentiful, an important consideration in this region; But sheep flocks and cattle herds were smaller because of heavy winter death losses of old animals.

Finally, from the Pacific Coast, this report from

OREGON -- Considerable quantities of some crops had to go unharvested. In the principal fresh prune district upwards of 50 per cent were not harvested because returns would not pay for the labor involved. The natural result is lack of cash and delinquency on debts and taxes. However, there is plenty of feed in all sections.

ANNOUNCEMENT: Well, we'll have to conclude this series of reports from typical farming States of different sections, setting forth the situation of agricultural American as the New Year opens. This Agricultural Situation Review comes to us from the United States Department of Agriculture. This is Station _____.

